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# **SUPPORT FOR ECONOMIC GROWTH AND ANALYSIS II (SEGA II)**

## **2006 Second Quarter Progress Report**

January 1 – March 31, 2006

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# SUPPORT FOR ECONOMIC GROWTH AND ANALYSIS II

Quarterly Report January 1, 2006 – March 31, 2006

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The author's views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government.

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## INTRODUCTION

The Support for Economic Growth and Analysis and Mandela Economics Scholars Program II (SEGA II) began on August 27, 2004 and continues through August 26, 2007. SEGA II has been designed to support the Economics Capacity Strategic Objective of the USAID South Africa results framework. This second quarterly report for 2006 documents progress made towards achieving USAID's objectives for this program as reflected in the Statement of Work:

- Working with public sector agencies and civil society organizations to perform analyses that will improve the policy and regulatory environment; and contribute towards a reduction in poverty and unemployment within a supportive macro-economic environment.
- Working with these same institutions, and employing both formal and informal training mechanisms, to develop economic research and policy capacity in South Africa.
- Collaborate with other donors, in particular the UK's Department for International Development (DFID), in achieving these results.

## SUMMARY OF ACHIEVEMENTS

A number of research activities were completed and the results disseminated during the second quarter of Fiscal Year 2006. SEGA II also hosted or participated in several high profile conferences and workshops and developed a new training program for building economic capacity within the National Treasury. Highlights from the second quarter include:

- Two discussion papers were completed that will assist the National Treasury in the implementation of appropriate poverty alleviation programs by the South African Government. The first explains the merits of possible methodologies used to calculate poverty lines and demonstrates their relevance to the measurement of poverty in South Africa; and the second provides options for the extension of disability grants to people with chronic illnesses.
- Work on a number of large SIPP (Support for the Implementation of Pro-Poor Policies) projects is progressing well. This includes studies on: rural poverty and vulnerability; the primary school nutrition program; the economics of South Africa's land reform programmes; and the trajectory of social grant expenditure.
- Collaboration with DFID and USAID/RCSA on three trade-related projects has generated extensive research on regional integration, industrial policy, and the relationship between trade and poverty in South Africa. A final paper on SACU was delivered to Government and draft papers are available in the other two areas.

## TECHNICAL AREAS

While the SEGA II statement of work is diverse, it is clearly unified by its focus on capacity development and a strong orientation towards poverty and unemployment. It identifies 10 technical areas covering a wide range of issues and clients. In each area, activities have been designed to enhance the capacity of government, its regulators, NGO's and universities to design and implement economic policy in South Africa. This is to be achieved through policy research, technical advice and a variety of short and longer term training modules. Progress, by each technical area and activity, is described below and summarized in Annex A.

### TA 1: STRENGTHENING THE IMPACT OF PRO-POOR PROGRAMS (SIPP)

SIPP is co-funded by DFID and was established to assist the National Treasury (NT) to incorporate pro-poor concerns into its tax and spending programs. Specific projects are identified by the Treasury and submitted to NT's research committee (a panel of four Deputy Director Generals) for approval. The following SIPP projects have been implemented to date:

- a desktop analysis of the importance of the child support grant within different households and for household members and its possible impact on poverty alleviation (completed);
- a discussion paper on the calculation of poverty lines and the implication of different estimates for the measurement of poverty in South Africa (completed – see Box 1 below);
- a discussion and policy paper on the eligibility of people with chronic illnesses for disability grants (completed);
- a modeling workshop to assist the Government in planning, budgeting, and evaluating the economic impact of the World Cup 2010 soccer tournament (completed);
- the development of a demographic model to assist the National Treasury in projecting the long-term size and distribution of the government's major social grants (to be completed May 2006);
- an extensive and qualitative analysis of the patterns and determinants of poverty and vulnerability in rural South Africa (to be completed mid-2006);
- a baseline study of the reach, targeting and effectiveness of the primary school nutrition program (to be completed mid-2006);
- a study of the economic impact of South Africa's various land and agricultural policy initiatives in four municipal pilot sites (to be completed end-2006);

In addition, SEGA II has contributed significant funding to a capacity building facility to enable National Treasury employees to participate in targeted economic training events in the USA and South Africa. Two employees have already received financial assistance from this facility to undertake short-courses in the United States; and the facility also contributed

towards to costs of the Treasury's representation at the CABRI (Collaborative Africa Budget Reform Initiative)<sup>1</sup> workshop in Mozambique.

### **Box 1     Selecting a Poverty Line**

As far back as the late 19th century, social policy analysts have found it useful to focus debate through reference to a minimum desirable level of income, or a poverty line (Gazeley & Newell, 1997:19). A poverty line divides the population into two groups on the basis of some measure: below the line a household/individual is considered to be poor, and above the line it is considered non-poor. Clearly, poverty lines are extremely useful for descriptions of poverty. By defining a line that is regarded as some kind of minimum living level, one is able to ascertain the number of poor people, as well as the depth and severity of poverty.

The point at which one draws the line is, however, always somewhat arbitrary and often highly contentious. After all, it is clearly rather crude to assume (for example) that a household earning R999 per month is in poverty, while a household earning R1000 is not. A poverty line will always be an imperfect construct, but for purposes of analysis one frequently needs to draw the line somewhere in order to go forward in understanding the nature of poverty.

Many approaches to identifying the poor begin with the specification of a set of basic needs. If one specifies minimum levels for certain consumption items (for example food, clothing and housing) then an individual who does not meet these minimum levels for each commodity is clearly poor. The difficulty arises when a person may be, for example, "food-poor", but not "energy-poor", making this a cumbersome measurement to use in practice. This approach can be termed the "direct approach" (Callan & Nolan, 1991: 244). All in all, these approaches seemed to be quite blunt measures of overall welfare.

An alternative to the direct approach is to work out the cost of a minimum basket of goods and use the required expenditure level as the poverty line. This is what Sen (1976: 219) terms the "income approach". The conceptual distinction between the direct and income approaches is significant. While the direct approach identifies those individuals or households who fail to meet some minimum standard of living, the latter approach identifies those that are unable to do so. Out of respect for individual choice, economists tend to favour the "income approach".

The literature further distinguishes between absolute and relative poverty lines (Sundrum, 1990:64). An absolute poverty line is not meant to change with the standard of living in society. People are defined as poor when they lack the command over resources to meet some absolute needs. A relative poverty line will move with standards of living (as represented by, say, median income): the poor are then taken to be those persons that are suffering relative deprivation. The question of whether poverty should be seen as a state of absolute or relative deprivation has dominated the literature on the construction of a poverty line (Ravallion, 1995:24). The distinction is important because it affects the way we perceive poverty reduction policies. For example, economic growth will generally result in a reduction in the number of people in absolute poverty, but only a change in the distribution of income will reduce the number of people in relative poverty. It is undeniable that there exist levels of consumption of food, clothing and shelter below which survival is threatened (Ravallion, 1992:25). But in most societies the notion of what constitutes the "minimum" living level is quite a bit higher than what is essential to survival. After all, as Beckerman (1984:6) has observed, it does not really make sense to define poverty at some minimum level when people continue to survive below it.

**Excerpt from Woolard and Leibbrandt (2006)**

## **TA 2: PARLIAMENTARY TRAINING**

SEGA/MESP (implemented by Nathan Associates) provided extensive formal economic training to South African parliamentarians over the last 6 years and this support was continued by SEGA II. In 2005, SEGA II provided financial assistance to 31 parliamentarians

<sup>1</sup> CABRI is a professional and autonomous network of senior government officials in ministries of finance *and* planning which aims to improve the efficacy of public finance management in Africa. The CABRI secretariat is located in the National Treasury of South Africa. For more detail see: <http://www.africa-sbo.org/cabri>

registered for Honors in Economics courses and to 15 parliamentarians undertaking a Diploma in Economic Policy.

Funding for this training will be transferred to Parliament in mid-2006 and SEGA II agreed to contribute additional funding to enable those parliamentarians that have successfully concluded their 2005 exams to complete their Honors in Economics degree in the first semester of 2006. A total of 13 Parliamentarians qualified for this additional support and are currently enrolled in this course.

### **TA 3: MICROFINANCE POLICY REFORM**

The Microfinance Regulatory Council (MFRC) aims to promote sustainable growth of the micro-lending industry and to ensure the protection of consumer rights. SEGA II (with funding from PRIME) has assisted the MFRC in these areas by providing support to the implementation of the new National Credit Bill and Act. In December 2005 this bill was approved by Parliament and the new Act and National Credit Regulator will come into force on 1 June 2006.

A long-term adviser was appointed to the MFRC to assist in the ongoing implementation of this new legislation. This contract came to an end in this quarter. The main contributions of this consultant include:

- Advice on the strengthening of credit reporting regulations;
- Development of the National Loans Register (NLR) – including international comparisons with similar institutions in other countries and the preparation of a strategy document on how the transition of the NLR could be managed;
- Development of a statistical tool for market supervision; and
- Development of a database with up to date knowledge on the credit market in South Africa. Based on this database, a mock over-indebtedness report for the National Credit Regulator was drafted.

Tenders have been issued and awarded to two sub-contractors to prepare an appropriate education strategy for the National Credit Regulator, targeted at borrowers, credit grantors, credit bureaus, and debt counselors. Furthermore, a baseline market review will be conducted to monitor the impact of the implementation of the National Credit Act on credit providers.

### **TA 4: AGRICULTURE AND LAND REFORM**

The Human Sciences Research Council together with the Programme for Land and Agrarian Affairs has been contracted to evaluate the interactions between land reform and rural development in South Africa. The main objective of this study is to clarify the economic case for redistributive land reform in the context of a rapidly changing agricultural economy (see Box 2). This study involves four area-based case studies, two of which will be funded by USAID (through SEGA II). The Project Managers hope to secure co-funding for the remaining two case studies from other donors. Fieldwork commenced in this quarter and two preliminary reports have been received.

## **Box 2. Land reform and rural development**

Historically, land has been a source of conflict and contention in South Africa. On the eve of the 1994 elections, whites controlled about 84% of non-public land, while blacks controlled only about 16%, predominantly in the 'homelands' and 'coloured reserves'. The economic arguments for land reform are complex and contentious. Whatever the underlying rationale or argument, the link between land reform and rural development in South Africa has not been rigorously examined.

This study would involve four area-based case studies in different parts of the country. The virtue of the area-based case study approach is that it allows for the development of in-depth understanding of the interactions between land reform and the rural economy in a way that is not possible with, say, scattered project evaluations or M&E data. On the other hand, one can reasonably question the generalisability of any single area-based case study, thus the value of having several such studies in different parts of the country (HSRC 2005).

Tentatively, the four municipalities to be studied will be the following:

- Mogalakwena / Limpopo
- Ennambithi-Ladysmith / KwaZulu-Natal
- Kopanong / Free State
- Breede Valley / Western Cape

There are four main research activities envisaged:

- *In-depth study of a sample of land reform projects* – A sample of land reform projects will be selected for in-depth examination in order to establish how projects are performing and to what extent beneficiaries are truly benefiting.
- *Census of land reform projects* – All land reform projects in the municipality will be visited, including those not selected for in-depth study. This is to establish how many people are involved in these land reform projects, how many people are *actively* involved, what they are doing, what they were doing before the project, what was happening on the property before it was sold, changes in land use, etc.
- *Assessment of the implications for vacated areas* – The purpose of this is to determine whether there is an impact on communities in communal areas when some community members acquire land elsewhere through land reform. This will involve interviews with members of communities that certain beneficiaries have left.
- *Assessment of the trends in and impacts on the commercial agricultural sector* – The purpose of this will be to survey trends in the commercial agricultural sector, including labour shedding, and to benchmark commercial land use in relation to which land reform projects can be compared.

## **TA 5: HIV/AIDS**

South Africa has one of the fastest growing HIV/AIDS epidemics in the world. By 2001, the adult prevalence rate reached 20.1 percent with more than 5.0 million people infected and 50,000 new infections per month. It is now broadly accepted that this pandemic will have an adverse impact on the economy, leading to rising poverty and inequality, but many of the channels through which this will occur remain largely unexplored.

SEGA II tackles two broad areas of work on the economics of HIV/AIDS. Firstly, the program assists government in costing and monitoring the impact of HIV/AIDS on health care workers and the delivery of basic care and treatment to HIV/AIDS patients, orphans and vulnerable children (OCV).



A large study on the prevalence of HIV/AIDS among health workers was completed and reported on in the previous quarter and the final deliverables are attached. This includes a toolkit for the testing of employees in public healthcare facilities. A study on stress and burnout among professional nurses in the Free State Province is ongoing. Furthermore, tenders were issued for two new PEPFAR-funded projects that will contribute towards the development of a data system for OVCs in South Africa (see Box 3).

Secondly, SEGA II supports analysis of the impact of HIV/AIDS on the macro-economy and different industry sectors. A comprehensive macroeconomic analysis of the impact of HIV/Aids under alternative intervention scenarios was completed in this quarter (with co-funding from DFID) and the approved deliverable will be presented (and summarized) in the next quarterly report.

### **Box 3. Data Systems on Orphans and Vulnerable Children (OVC)**

There are varying estimates of the numbers of orphans in South Africa. The Department of Health projects that in the year 2005 there will be nearly a million children under the age of 15 who have lost their mother to AIDS<sup>1</sup>. Other sources suggest this figure will be around 800 000 in the year 2005 and will rise to 1.95 million in 2010<sup>1</sup>. These differences can, in some cases, be attributed to the varying definitions of the term 'orphan'. Despite these discrepancies the sad and undisputed fact remains that the number of children whose basic needs are not being met in South Africa is rapidly increasing.

A vital requirement for an optimal response to the OVC situation is an accurate database that includes information on OVCs in South Africa, where they live, their needs and the services they require. There are several data systems on OVCs in South Africa and other systems which, while not primarily addressing OVCs could provide information on OVCs. These exist within government departments and other organizations and more have been developed in other countries. These data systems need to be identified, catalogued and assessed for the purposes of creating an accurate national database of OVCs (JEAPP 2006).

The main purpose of this project is to describe and evaluate existing datasystems at national, provincial and district levels in South Africa or in other countries. It is part of a larger programme of research done under the auspices of the National Department of Social Development with assistance from USAID / PEPFAR, UNICEF, Save the Children, the Nelson Mandela Children's Fund (NMCF), and JEAPP (The Joint Economic Aids and Poverty Programme).

## **TA 6: REGULATORY REFORM**

SEGA II has initiated discussions with the Competition Commission of South Africa, the Department of Agriculture, and the Department of Trade and Industry with a view to providing technical assistance and capacity building support in this area over the next few years. The focus of this assistance will be on the impact of regulations and competition on small businesses.

## **TA 7: ENVIRONMENTAL ECONOMICS POLICY**

There is unlikely to be any work in this TA over the duration of the project. SEGA II will continue to monitor developments in this area and will inform USAID if any prospective activities arise for future consideration.

## **TA 8: INTELLECTUAL PROPERTY RIGHTS**

There is unlikely to be any work in this TA over the duration of the project. SEGA II will continue to monitor developments in this area and will inform USAID if any prospective activities arise for future consideration.

## **TA 9: SUPPORT FOR HIGHER EDUCATION**

SEGA/MESP II provides foreign (MESP I) and local (MESP II) bursaries to South African economic students. A comprehensive report on the status of all SEGA II-funded MESP students is attached as a deliverable.

There are four remaining MESP II students completing their PhDs in Economics through the Universities of Rhode Island, Michigan State, Massachusetts and Colorado. Two of these students submitted their theses in 2005 and have returned to South Africa (they will need to return to the USA for their defense). The other two are expected to submit their theses by June 2006.

The 25 remaining MESP II students are located at the Universities of Stellenbosch, Kwa-Zulu Natal and Cape Town. Most of these students (23) completed their course work in 2005 and were awarded a supplementary bursary to write up their theses. These students are expected to complete and submit their theses by end-May 2006. Another two students (both at the University of Stellenbosch) are still completing their course work and are expected to graduate in June 2006.

SEGA/MESP has also supported the University of the Western Cape as a 'Center of Economic Excellence (CEE)'. Funding for this activity will end in the second quarter of this financial year.

## **TA 10: COMPLEMENTARY ACTIVITIES**

The above technical areas cover most of the key aspects of poverty and unemployment in South Africa, but not all. Notable exceptions include private sector and small business development issues and the impact of globalization on trade, investment, employment and the poor.

SEGA II has worked with South Africa's largest trade union federation (COSATU) to assist them in developing a research proposal to understand the impact of trade reform on the poor. DFID and the DTI have agreed to contribute significant funding to this project, which now includes 16 sub-components and about 20 different researchers. Research work is nearly complete and will be presented to COASTU and DTI in the next quarter.

To assist private sector development, SEGA II is providing ongoing advice to the National Treasury on the costs and benefits of different kinds of industrial policy instruments. This includes a review of sector specific interventions as well as proposal on a number of cross-cutting economic constraints. A draft paper has been presented to the Treasury and this work will be finalized in the third quarter. Analysis by Frank Flatters and Matthew Stern of the

new SACU revenue sharing agreement was completed in this quarter. Both of these activities are co-funded by USAID/RCSA in Botswana.

Finally, SEGA II continues to enhance economic capacity within and beyond Government through focused short-term assistance and training. During this quarter, SEGA funded a Health Economics Roundtable facilitated by the University of Kwa-Zulu Natal. The purpose of this workshop was to improve coordination of health economics research in South Africa and provide a forum for research collaboration across institutions.

## BENCHMARKS

The following table provides a summary of the key objectives and results for SEGA II, as established by USAID and included in the Task Order. Existing targets, taken from the Performance Monitoring Plan for USAID/South Africa's Economics Capacity Building Strategic Objective, have been added to show some of the proposed contributions of SEGA II and to facilitate USAID monitoring of the progress of the project.

	<i>Objectives</i>	<b>2005 (Aug-27-2004 to Aug-26-2005)</b>		<b>2006: Quarter 2</b>	
		<i>Anticipated results</i>	<i>Proposed Targets</i>	<i>Cumulative Performance</i>	<i>Comment</i>
<b>Sustainable capacity-building</b>	<b>Strengthen human resources in economics and policy</b>	Number of historically disadvantaged people completing long term advanced degrees and placed in jobs as economists	N/A	N/A	MESP ended
		Number of people selected for training	N/A	N/A	MESP ended
		Gender Equity – percent women trained	N/A	N/A	MESP ended
		Proportion of graduates working for government	N/A	N/A	MESP ended
	<b>Strengthen centers of economic excellence in teaching and research at historically disadvantaged universities.</b>	Full-time equivalent students	N/A	N/A	Program ended
		Outreach programs with govt, Parl., bus., NGOs	N/A	N/A	Program ended
		Quality Research papers	N/A	N/A	Program ended
<b>Assessments and analyses</b>	<b>Strengthen government departments that deal with policy matters.</b>	Number of directorates strengthened	5	8	
		Number of quality policy studies completed	30	5	
		People in economics training	200	108	
		Gender Equity – Women in Training	40%	27%	59 females / 184
	<b>Strengthen think tanks to formulate and deal with economic policy options.</b>	Number of quality studies produced	10	3	
		Number of seminar, conferences, and workshops attended by think tanks.	8	5	
		Black professionals working on assisted activities	20	18	8 economists 10 non economists
		Gender equity – professional women working on assisted activities	12	25	7 Economists 18 non economists

## DELIVERABLES

The following deliverables were prepared during the period January 1, 2006 – March 31, 2006.

Technical Area	Activity	Date	Document title. Type
SIPP	Poverty line	February 2006	Povertyline.doc
SIPP	Chronic illness	January 2006	NatrassFinal.doc (embargoed)
Land reform	Rural land studies	January 2006	Scoping report on Maluti-a-Phofung.doc WC Scoping report Jan 2006.doc
HIV/AIDS	HCBC	January 2006	Phase II HCBC Costs Drat Report.doc
HIV/AIDS	Impact of HIV/AIDS prevalence on Health Service Personnel	February 2006	Final Prevalence Survey Public Sector Toolkit.doc
HIV/AIDS	Economic Roundtable	February 2006	Workshop
Higher education	MESP I and II	March 2006	MESP Quarterly Report Jan-Mar 06.doc
Complementary	SACU	March 2006	SACU Final.doc (embargoed)
Complementary	Industrial Policy	February 2006	Industrial Policy Draft.doc (embargoed)
Complementary	Trade and Poverty	March 2006	Trade and Poverty Mar 06.doc

## ANNEX A: SUMMARY OF ACTIVITIES

Project	Description	Objective	Indicative Budget \$	Status
<b><i>TA1: Strengthening the Impact of Pro-poor Programs (SIPP)</i></b>				
Poverty workshop	Discussion of key research questions and gaps, between leading academics and senior policy makers	To promote evidence-based policy making	15 000	Postponed
Intra-household dynamics in resource allocation	Analysis of the flows of social grants to different types of households and the impact of these grants on household members	To evaluate the allocation and effectiveness of social grants	30 000	Completed
Poverty line	Review of methodologies for calculation of poverty lines and the implications of different estimations for the measurement of poverty in South Africa	To assist Government in the determination of an appropriate measure	10 000	Completed
CGE Micro-simulation	Technical assistance to National Treasury modeling unit	To assist NT in the development of a CGE Micro-simulation model	75 000	Initial TA completed
Land-based vulnerability, labor markets and social protection	Analysis of the patterns and determinants of vulnerability and food security in rural South Africa; and a review of government policies in these areas	To recommend new and better policies	295 000	Approved and work has begun  Interim report received
Primary School Nutrition Program	Baseline study and evaluation of the reach and effectiveness of the government's school feeding scheme	To provide baseline data for future M&E	175 000	Interim report received
Social grants projections	Examination of population dynamics and the likely evolution of the economic position of welfare beneficiaries	To estimate the cost and improve targeting of social grants	60 000	Approved and work has begun
Rural municipality case studies	Analysis of the economic impact of land reform projects in four pilot sites.	To clarify the economic case for land reform	75 000	Interim reports received
<b><i>TA2: Parliamentary training</i></b>				
Parliamentary training	Formal economic training and support to Parliamentarians, especially the Budget Committee.	To improve economic knowledge and capacity in Parliament	150 000	Final installment to be paid Q2 2006
<b><i>TA3: Microfinance policy reform</i></b>				
Consumer Credit Act	Evaluation of credit conditions and interest rates in different consumer credit markets	To recommend methodology for determination of interest rate ceilings	60 000	Approved and work has begun

Long-term adviser on Microfinance Policy	Design and implementation of National Credit Regulator (NCR) and development of framework for credit providers	To assist in the design of a regulatory regime for the NCR	100 000	Completed
<b>TA4: Agriculture and land reform</b>				
Evictions - national survey	National survey of incidence and socio-economic impact of farm evictions	To inform policy on land evictions and highlight vulnerable communities	150 000	Completed
<b>TA5: HIV/AIDS</b>				
Home and Community Based Care (HCBC)	Assessment of characteristics, cost and efficiency of different HCBC models	To recommend appropriate models for scaling up HCBC programs	190 000	Completed
Impact of HIV/AIDS on health care workers	Analysis of the prevalence of HIV/AIDS amongst professional nurses its impact on attrition and productivity	To assist in human resource development and planning	85 000	Completed
Macroeconomic impact study	Evaluation of the economic impact of HIV/AIDS, by sector	To demonstrate the economic cost of HIV/AIDS	20 000	Completed
SA Journal of Economics	Publication of special edition focusing on the economics of HIV/AIDS	To publicize research in this area	20 000	Completed
HIV/AIDS and Poverty Workshop	Conference on the relationship between HIV/AIDS and poverty	To improve data and research on HIV/AIDS	20 000	Completed
Health Economics Roundtable	Forum for health economists to present research and identify research priorities.	To improve research coordination and collaboration	10 000	Completed
Roll-out of ARV treatment in the Free State Province	Monitoring and evaluation of the roll-out of ARV treatment at specific pilot sites	To highlight progress and obstacles to ARV roll-out	150 000	Started Nov 2005 On going
OVC – Lessons learnt	Review of research done, policies in place and interventions implemented on OVCs in Southern Africa	To assist DSD in development of an OVC data system	75 000	Tender issued
OVC – Data systems	Review information on OVC data systems established in South Africa and internationally	To assist DSD in development of an OVC data system	75 000	Tender issued
<b>TA9: Support for higher education</b>				
MESP 1	Provision of bursaries and support to South African students to undertake post-graduate studies in the USA	To facilitate post-graduate education in economics amongst historically disadvantaged students	-	To end mid-06

MESP 2	Provision of bursaries and support to select academic departments and courses	To facilitate post-graduate education in economics amongst historically disadvantaged students	130 000	To end mid-06
UWC / Center of Economic Excellence (CEE)	Financial support and assistance to the economics department at UWC	To develop and sustain a CEE at UWC	35 000	To end Mid-06
Placements and internships	Assistance to MESP graduates in finding employment in Government departments or agencies	To help graduates find permanent and appropriate employment	10 000	Ended Dec 05

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***TA10: Complimentary activities***

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Development through trade	Provision of support to South African Institute of International Affairs' (SAIIA) trade research and advocacy program	To inform policy makers and business leaders on trade policy developments	35 000	Completed
Trade training for union leadership	Facilitation of two workshops on trade theory and policy for union leadership	To inform union members and leaders on trade policy developments	50 000	Completed
Southern Africa Tax Institute (SATI)	Support to SATI training courses	To enhance tax knowledge amongst policy makers	10 000	Completed
Industrial policy and incentives	Analysis of the relative impact of investment incentives and other investment support initiatives on business decisions and investment	To inform policy makers on optimal investment policy	60 000	Phase 1 Completed. Draft submitted on phase 2.
Trade and poverty	Various household and case study analyses of the relationship between trade and poverty.	To understand the way in which trade impacts upon poverty in SA.	50 000	Work has begun